

HCS HB 1311 & 1341 -- INSURANCE COVERAGE FOR PERVASIVE DEVELOPMENTAL DISORDERS

SPONSOR: Wilson, 130 (Scharnhorst)

COMMITTEE ACTION: Voted "do pass" by the Special Committee on Health Insurance by a vote of 14 to 0.

This substitute establishes provisions regarding the diagnosis and treatment of pervasive developmental disorders (PDD). In its main provisions, the substitute:

(1) Establishes the Behavior Analyst Advisory Board under the State Committee of Psychologists within the Department of Insurance, Financial Institutions and Professional Registration to establish licensure and registration requirements for behavior analysts, assistance behavior analysts, and line therapists who provide applied behavior analysis therapies for children with PDD;

(2) Requires all health benefit plans that are delivered, issued, continued, or renewed on or after January 1, 2011, to provide coverage for the diagnosis and treatment of PDD for children through 21 years of age;

(3) Requires the department director to grant an employer with 25 to 50 employees who offers a group health plan a waiver from offering PDD coverage if the employer demonstrates by actual experience over any consecutive 24-month period that the cost of providing the coverage has resulted in a 5% increase in the health plan premiums over a calendar year. Employers with less than 25 employees with a group health plan are not required to provide PDD coverage, but insurers are required to offer PDD coverage to these employers;

(4) Prohibits carriers from denying or refusing to issue insurance coverage on; refusing to contract with; or refusing to renew or reissue, terminate, or restrict coverage on an individual or his or her dependent solely because of being diagnosed with a PDD or because he or she receives coverage;

(5) Limits the coverage provided by an insurance carrier for PDD to the treatment ordered by the insured individual's licensed treating physician or psychologist in accordance with a treatment plan. Service exclusions contained in an insurance policy or health maintenance organization contract that are inconsistent with a PDD treatment plan will be considered invalid as to PDD. A PDD treatment plan must include all elements necessary for a health carrier to review the plan when requested and to appropriately pay the claim. Except for inpatient services, the

health benefit plan or carrier can request, at its expense, a review of the treatment plan not more than once every six months unless the individual's treating physician or psychologist agrees that a more frequent review is necessary;

(6) Specifies that coverage for individuals younger than 10 years of age for the applied behavior analysis (ABA) services will have a maximum benefit of \$36,000 per year and for individuals 10 to 21 years of age will have a maximum benefit of \$20,000 per year, with no limit on the number of visits to a PDD service provider. Coverage cannot be denied on the basis that it is educational or habilitative in nature. Beginning December 31, 2010, the maximum benefit limits will be adjusted annually for inflation by the department director;

(7) Prohibits PDD services from being subject to any greater deductible, co-insurance, co-payment, or utilization review than other physical health care services provided by the health benefit plan. Payments and reimbursements for ABA services can only be made to a PDD service provider;

(8) Requires health benefit plans established, extended, modified, or renewed on or after January 1, 2011, under the Missouri Consolidated Health Care Plan, self-insured governmental plans, self-insured group arrangements, multiple employer welfare arrangements, and self-insured school district health plans to offer individual PDD coverage;

(9) Exempts the MO HealthNet Program and supplemental insurance policies from the provisions of the bill;

(10) Specifies that health carriers and benefit plans are not required to reimburse a school district for PDD services that it provided;

(11) Specifies that health carriers and benefits plans will be the payor of last resort for PDD services in areas where the First Steps Program is available;

(12) Specifies that the provisions regarding providing insurance coverage for PDD are subject to the utilization review laws for health insurers and the department; and

(13) Requires, beginning February 1, 2012, the department to submit an annual report to the General Assembly regarding the implementation of the coverage and cost analysis data for PDD service claims from health insurers.

FISCAL NOTE: Estimated Cost on General Revenue Fund of \$339,785 in FY 2011, \$679,571 in FY 2012, and \$679,571 in FY 2013.

Estimated Cost on Other State Funds of Unknown exceeding \$180,756 in FY 2011, Unknown exceeding \$312,371 in FY 2012, and Unknown exceeding \$348,738 in FY 2013.

PROPOSERS: Supporters say that the bills address the need for health insurance coverage for the diagnosis and treatment of pervasive developmental disorders, most common of which is autism. Thousands of parents who have a child with autism are demanding that health insurance carriers offer health benefit plans that include full coverage for all PDDs. There are multiple actuarial studies stating that the increase to health insurance premiums will be less than 1%. Providing insurance coverage to diagnose and treat PDD at an early age will save costs in the long run because if no intervention is provided, as the child grows older there often are more needs for medical and social care. Early intervention coverage for services is necessary because the brain can only make adaptations to learning early in life. PDDs are a medical condition that can only be diagnosed and treated by a medical doctor. There is no cure, but social and medical obstacles can be overcome to provide a better quality of life for children with a PDD. Applied behavior analysis (ABA) therapy is the best treatment for children with PDDs and is not an experimental treatment. ABA treatments help children with PDD assimilate into school. ABA treatment claims average \$30,000 per year but can cost up to \$75,000 per year, and not very many families can afford this treatment. ABA therapy is necessary because drug therapies are not yet available. Fourteen states have passed similar legislation, and 21 have pending legislation. There is a need for partnerships between insurance carriers, health care providers, parents, and educators to best serve children with PDD.

Testifying for the bill were Representatives Scharnhorst and Grill; Lorri Unumb, Autism Speaks; John Mantovani; Representative Dennis O'Brien, Pennsylvania House of Representatives; Stuart Jackson; Stephen Schad; Michele Kilo; Colin Peeler, Behavioral Solutions, Incorporated; Ronald Ekstrand, Jr., Touch Point Autism Services; John Guercio, Missouri Association for Behavior Analysis; Missouri National Education Association; Wayne Lee; Department of Mental Health; and Eileen Dillon.

OPPOSERS: Those who oppose the bill say that the insurance industry is not opposed to providing care for children; however, they do have a logical objection because the real problem is to identify the reason that the diagnosis of ASD has seen such a dramatic increase in recent years. The cost of adding a mandate of coverage for autism spectrum disorders (ASD) will be carried onto consumers and small businesses which will only serve about 30% of Missourians. If an investment in early intervention is made to help children with ASD, the cost of care for their later

years should be less expensive, but should not include both the early and the later expenses. The spectrum of disorders that fall under ASD causes several dilemmas. Some treatments work for some, but not all. Early intervention is good for all, but not all respond. ABA therapy is not applicable to everyone and is not proven to be highly successful after a child reaches seven years of age. The science of evaluating the needs of children with ASD requires ongoing research and reporting. Credentialing all ABA providers is vital. Mandates memorialize a certain standard of care beginning on the effective date which can become harmful for providing good care in the future. Coverage should be tiered so that coverage is scaled back as a child grows older.

Testifying against the bill were Anthem Blue Cross Blue Shield; Blue Cross Blue Shield of Kansas City; America's Health Insurance Plans; United Healthcare Services, Incorporated; Associated Industries of Missouri; Group Health Plans; and Coventry Health Care.

OTHERS: Others testifying on the bills say that they should be mindful of the impact on small businesses.

Testifying on the bill were National Federation of Independent Business; Division of Professional Registration, Department of Insurance, Financial Institutions and Professional Registration; Missouri Insurance Coalition; Blue Cross Blue Shield of Kansas City; and Blake Williamson.